



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 271** SLS 12RS 468

Bill Text Version: **ENROLLED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 27, 2012	7:07 PM	Author: PERRY
Dept./Agy.: Revenue		
Subject: Income Tax Checkoff - Dreams Come True, Inc.		Analyst: Greg Albrecht

TAX/INCOME/PERSONAL

EN NO IMPACT GF RV See Note

Page 1 of 1

Provides for donations of tax refunds to the Dreams Come True, Inc., through a check-off box on state income tax returns. (gov sig)

Allows donation of personal income tax refunds by checkoff to Dreams Come True, Inc. Donated monies are to be administered and distributed by the Revenue Department. The Senate Committee on Revenue and Fiscal Affairs and the House Committee on Ways and Means are authorized to request a report from the organization relative to its operations, and to summon any person employed by or associated with the organization to provide testimony with respect to the report.

Effective for taxable years beginning on or after January 1, 2012.

EXPENDITURES	2012-13	2013-14	2014-15	2015-16	2016-17	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2012-13	2013-14	2014-15	2015-16	2016-17	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Adding an additional checkoff to the tax return, in isolation, involves relatively small costs associated with data processing modifications, accounting, and disbursing of any refunds donated. In addition, R.S. 47:120.37 authorizes a 20% fee from the donated amounts to defray these costs. Current law (R.S. 47:120.37(B)) also provides that existing checkoffs be removed from the tax return if they have not generated at least \$10,000 per year for two consecutive years.

If the Department of Revenue does not remove checkoffs from the form, then to accommodate additional checkoff options (this one and others contemplated) the Department will likely have to redesign the tax form. Additional costs depend on the redesign chosen (redesign entire form to fit more lines, add a new schedule/page for checkoffs, change to a code entry for each checkoff such as is done for credits), but all involve additional printing, system processing modifications, and taxpayer/preparer communication and support. The Department estimates one-time set up costs of staff time could be several thousand dollars from existing budget, depending on the number of checkoffs being accommodated and the amount of redesign necessary.

REVENUE EXPLANATION

There will be no effect on state tax collections since only refunds will be donated. The willingness of taxpayers to donate all or a portion of their tax refunds to any particular purpose can not be predicted. The amount of donations to any particular purpose is likely to be small.

For fiscal year 2011 (the latest year for which the department has information on checkoffs) the nine checkoffs reported for that year received donations from 16,688 returns out of 2.064 million total returns filed (0.8% of returns); total donations for all purposes were \$333,159; donations per checkoff purpose were a high of \$105,479 and a low of \$15; and, the average donation per contributing return was \$19.96.

Senate	Dual Referral Rules	House	
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}		<input type="checkbox"/> 6.8(F)1 >= \$500,000 Annual Fiscal Cost {S}	
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	H. Gordon Monk Legislative Fiscal Officer